

# Home

## Overview

### Overview of transparency in the construction sector

Prior to CoST, transparency in the Ethiopian construction sector was limited to the disclosure of information on tenders and contract awards as required under the Ethiopian Federal Government Procurement and Property Administration Proclamation 2009. This information is required to be disclosed on the Public Procurement and Property Administration Agency web-site. The Ethiopian Multi-Stakeholder Group persuaded their Government to revise the country public procurement regulations to include the majority of the CoST disclosure requirements in a procurement proclamation and directives. This provides the MSG with a mandate to collaborate with the participating procuring entities.

## Procuring Entity Capacity Building

A [report](#) has been published that assess the requirements for mainstreaming proactive information disclosure by procuring entities in Ethiopia. This includes collating project and contract information from the following 9 construction projects.

Procuring entity	Project
Ethiopian Roads Authority	<a href="#">Butajira to Gubre Road Project</a> <a href="#">Adirement to Dansha Via Dejena Road Project</a> <a href="#">Gindeber to Gobensa Road Project</a> <a href="#">Mehal to Alemketema via Meda Road Project</a>
Ministry of Water and Energy	<a href="#">Dabus Irrigation Design Project</a> <a href="#">Koga Irrigation and Watershed Management Project</a>
Ministry of Health	<a href="#">St Paul's Hosipital Millennium Medical College Construction Project</a>
Ministry of Education	<a href="#">Hossana University - one of ten new Universities</a> <a href="#">Jimma University Construction of Additional Facilities</a>

Most recently, an independent consultant has been deployed to further scrutinise a number of additional project items using the recently revised CoST disclosure standards.

These standards are available online on the Federal Public Procurement and Property Administration Agency – FPPAA [website](#).

In addition to its work on coordinating the independent scrutiny of public procurement, CoST Ethiopia is also preparing a 5-Year Strategic Plan. Furthermore, it has trained a number of project engineers (PEs) on the basics of CoST and how to disclose information on the FPPAA website. Recently, a Memorandum of Understanding (MoU) on Disclosure has been given to 8 of the trained PEs for comments. Once their comments are received, the final MoU will be signed and disclosure will begin.

## Governance

CoST Ethiopia has enjoyed strong and effective political support from its Champion, H.E. Ali Sulaiman, Commissioner, Federal Ethics and Anti-Corruption Commission. It is overseen by CoST Ethiopia's Multi-Stakeholder Group Executive Committee which comprises representatives from:

1. Federal Ethics and Anti-Corruption Commission
2. Ethiopian Roads Authority
3. Ministry of Urban Development and Construction
4. Public Procurement and Property Administration Agency
5. Ethiopian Construction Contractors' Association
6. Ethiopian Consulting Engineers' & Architects' Association
7. Ethiopian Grade I Contractors' Association)
8. Transparency Ethiopia
9. Birhane Tibebe Art, Health & Environmental Association and
10. Ethiopian Association of Engineers

[Interim Governance Rules of CoST - Ethiopia](#)

[Communication Protocol of CoST - Ethiopia](#)

## Messages

Message from the Chairperson

Message from the Champion

MSG Members Pictures

## Contact

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# About Cost

## Introduction to CoST

### Why is CoST Necessary?

Public sector infrastructure projects make a major contribution to economic growth and poverty reduction but mismanagement and corruption during the planning, implementation and monitoring of construction projects can undermine the expected social and economic benefits.

Recent studies show that corruption in public construction contracts is widespread, with bribes often accounting for ten percent or more of the contract price. Corruption allows unnecessary, unsuitable, defective and dangerous construction projects - buildings that collapse and roads that break up. Corruption also undermines the rule of law and hinders the development of strong and accountable institutions that are essential for economic growth and social justice.

The effects of mismanagement and corruption are especially hard on the poor, who are most reliant on the provision of public services.

### What is CoST's Objective?

CoST's aim is to enhance the accountability of procuring bodies and construction companies, focusing on the cost and quality of public-sector construction projects. The core concept is to 'get what you pay for'. The 'you' being national governments, affected stakeholders and to the wider public. The main emphasis of CoST is on the period between contract award and the final build.

### How Does CoST Work?

CoST provides for the disclosure of material project information on a selection of construction projects. 'Material' in this context is intended to indicate that sufficient information be provided to enable stakeholders to make informed judgments about the cost and quality of the infrastructure concerned. The disclosures include, for example, a description of the project; its purpose and location and, at the implementation stage, summary details of the original and final: project specification, project cost, contractor and completion dates.

The disclosures also include justification for any significant differences between the original and final information, as well as project evaluation and completion reports. Disclosure of raw information on its own is unlikely to be sufficient to achieve greater accountability due to its complexity. The disclosures need to be reviewed and analyzed to ensure that they are comprehensible to all stakeholders. CoST introduces a structure to meet this need.

### CoST Core Principles

The principles which underpin CoST reflect a shared stakeholder commitment to transparency and accountability.

- We share a belief that public sector infrastructure projects should support sustainable economic growth that contributes to sustainable development and poverty reduction, but that mismanagement during construction can undermine their potential social and economic benefits and value for money
- We believe in accountability by government to all citizens for public expenditure on construction projects, and are committed to encouraging high standards of transparency and accountability in all parts of the construction sector, both public and private
- We consider that disclosure of basic project information throughout the project cycle could be an effective and efficient way to improve value for money of construction projects over time, and that greater transparency during project implementation should be supported by open and transparent tendering processes
- We recognize the enhanced environment for domestic and foreign direct investment that transparency may bring
- In seeking solutions, we believe that a collaborative multi-stakeholder group can play an important oversight and interpretative role in ensuring greater transparency and public understanding of information disclosed on projects.

## What are the Benefits of CoST?

### Overall

- Enhanced accountability of procuring entities and contractors for the cost and quality of public sector construction projects through strengthened accountability mechanisms.
- Improved management of public finance and strengthened governance of public construction projects.
- Greater efficiency of public procurement of infrastructure projects, leading to higher quality infrastructure at lower cost.

### Benefits to government

- Greater public confidence in government and the procurement process.
- Governments learn what they should get using public funds and can compare this with what they are getting. Empowered with this information they can reform procedures and improve delivery.
- Tackling corruption will encourage more contractors to bid and lead to fairer prices and higher quality projects with higher economic and social returns.
- Financial transparency will develop improved business confidence and trust, and increased prospects for investment, both domestic and foreign.
- As CoST gains international recognition, it is expected to provide a seal of approval that will open the door to increased flows of funding for construction projects.

### Benefits to industry

- Increased transparency and fewer opportunities for corruption will engender confidence in the industry that a 'level playing field' exists and contract award and administration will be fair.
- Reduced levels of corruption and greater accountability mechanisms will improve the chances of local companies winning contracts.
- Companies involved in the sector will benefit from increased understanding of the social and economic development contribution made by the construction industry.

- Companies will enjoy reduced risk to their reputation from association with projects or enterprises where corrupt practices are suspected.
- Improved financial risk management will lead to better access to credit and loans on more favorable terms.
- CoST should lead to improved professional standards.

#### Benefits to civil society

- Civil society groups will enjoy increased access to information, the chance to participate in the governance of the construction sector.
- Increasing access to information and actively involving stakeholders in the gathering, dissemination and analysis of the disclosed data will enable civil society (including parliamentarians, the media) to hold procuring entities and construction companies accountable for the cost and quality of public construction projects; and demand better project selection and oversight in the future.
- Civil society groups will also benefit from capacity building to enable them to realize the potential benefits of CoST.

#### Benefits to ordinary citizens

- The prospect of being able to compare what they are getting with what they should be getting, leading to better value construction, and construction that meets their real needs.

Greater transparency in the sector should also contribute to the implementation of environmental and social safeguards – ensuring that hazardous materials are not used and health and safety laws are observed.

#### The CoST Criteria

The CoST criteria have an operational focus and represent the proposed implementation requirements of CoST. The CoST criteria are:

1. For public-sector construction projects above an agreed threshold, there is regular disclosure of material project information to a wide audience in a publicly accessible, comprehensive and comprehensible manner.
2. Procuring bodies are subject to a credible audit process and, as far as possible, projects are subject to credible, independent financial and technical audits.
3. The adequacy of material project disclosures and audits are assessed by an independent, objective and technically competent Assurance Team, and reports published. The membership, terms of reference and activities of this team must be publicly disclosed.
4. The application of this approach is extended to the main procuring bodies responsible for public-sector procurement, and related contractors.
5. A Multi-Stakeholder Group (MSG) representing the interests of stakeholders has oversight of the implementation of CoST. The membership, terms of reference and activities of the MSG must be publicly disclosed.
6. Civil society is actively engaged as a participant in the design, monitoring and evaluation of this process.

7. A public, financially sustainable work plan for all the above is developed by the host government, including measurable targets, a timetable for implementation, and an assessment of potential capacity constraints.

These criteria will be reviewed during the Pilot Phase, and will be amended, if necessary, before the design of CoST is finalized.

## Governance Structure

Governance Structure

## Principles

### Principles on which CoST is based

CoST is a voluntary initiative applicable to any country and any government department or agency with responsibility for public-sector construction projects. The principles which underpin CoST reflect a shared stakeholder commitment to transparency and accountability. They are:

- Projects should promote sustainability. Public sector infrastructure projects should support sustainable economic growth that contributes to sustainable development and poverty reduction. Mismanagement during construction can undermine potential social and economic benefits and value for money.
- Governments should be accountable. Citizens have a right to know that their money is being used wisely. The procurement and management of public sector construction projects should be sufficiently transparent for government to be held accountable.
- Transparency can improve efficiency. Basic project information, disclosed throughout the entire project cycle, can provide an effective way to improve value for money in construction by reducing opportunities for corruption and increasing scrutiny.
- Transparency promotes investor confidence. Domestic and foreign direct investment is likely to be increased by transparency in the management of construction projects.

Multi-stakeholder co-operation is important. Experience shows that multi-stakeholder working between the public and private and sectors and civil society improves transparency and gives greater confidence to citizens that all points of view are being taken into account. A multi-stakeholder group (MSG) oversees the implementation of CoST in each country. It is formed from representatives of government and procuring agencies, the construction industry, professional associations, financial organizations, investors and civil society organizations.

## Benefits

### Potential benefits of CoST

The Construction Sector Transparency Initiative (CoST) offers a range of potential short and long-term benefits to stakeholders and participating bodies:

### Procuring bodies can benefit from:

- improved efficiency and transparency of the contract management process
- greater public confidence in the procuring bodies
- increased likelihood of competent contractors being engaged
- improved quality of construction and fewer delays
- less corruption and wastage

**Public financial management bodies can benefit from:**

- better management of public finances
- fewer opportunities for corruption
- improved governance likely to improve business confidence and trust, and increase prospects for investment
- improved financial management recognized by ratings agencies and financial institutions, thereby providing better access to private capital

**Construction companies and associations can benefit from:**

- greater confidence that a 'level playing field' exists
- improved prospects that contract award, implementation and payment schedules will be fair and open
- a reduced likelihood of risk to reputation through association with corrupt or failed projects
- better financial risk management leading to better access to private capital and more favorable lending terms

**Civil society can benefit from:**

- better outcomes for public-sector investment, in terms of value for money and responsiveness to the interests of society
- greater opportunities for public involvement in governance
- assurances that corruption is being tackled

**Donors and providers of finance or loan guarantees can benefit from:**

- reduced credit risks
- better return on investments
- funds provided are more likely to achieve objectives

**International partners can benefit from**

- a greater likelihood that funds directed to construction projects will achieve stated development impacts
- greater potential for cross-sectorial initiatives

**CoST Factsheets**

<http://www.constructiontransparency.org>

# Disclosure

## Disclosure

In the context of CoST, disclosure means the release of material project information into the public domain. This means that in principle the information is available to any interested person (e.g. on a public website, in newspapers, etc.) although in practice it may be difficult for some (e.g. those without internet access) to access it.

Disclosure of project information is a key element of CoST. The process of disclosure is likely to vary between countries depending on existing legislation (e.g. relating to procurement, public finance or freedom of information).

For that reason, it isn't possible to develop a 'blueprint' for disclosure. MSGs need to find an approach that works within their particular set of circumstances.

## Assurance Report

### 1. 25 Pilot Phase Assurance Team Report

#### Building

- [Final Report- Implementation Process of TEN NEW UNIVERSITIES](#)
- [Final revised draft - 13 Universities](#)
- [Final Report Amanuel Hospital](#)
- [Final Report Jimma](#)
- [Final Report St. Paul's](#)

#### Road

- [Report on gedo - mana begna project](#)
- [Final Draft \(Humbo - Arbaminich\)](#)
- [Final Draft \(Semera - Didigsala\)](#)
- [Final Report - Abala - Shaigube Design Build Road Project](#)
- [Adigoshu - Lugdi final report 01 27 10 2010- beadergew M. \(2\)](#)
- [Report Bako – Nekempte](#)
- [Summary and Findings –Bako](#)
- [Report Gidami – Mugi](#)
- [Summary and findings Gidami-Mugi](#)
- [Beredimtu-lmi final October](#)
- [Hawusewa october final](#)
- [Butajira-Gubre RUP Report](#)

- [Gondar-Debark RUP Report](#)
- [Irba Moda-Wadera RUP Report](#)
- [Gindeber-Gobensa, final report](#)
- [Ginir Beredimitu, final report](#)

## **Water**

- [Executive Summary Kessem](#)
- [Final Report Kessem](#)
- [Tana Beles final report V1](#)
- [Tendaho final report V1](#)
- [Executive Summary, MPI & Concerns 20,000 HA](#)
- [Twenty Thousand HA WB](#)
- [Executive Summary & Concerns 80,000 HA](#)
- [Eighty Thousand HA WB](#)
- [Lake Tana Surrounding F](#)
- [Summary & concerns](#)

## **2. Full-pledged Program Assurance Report**

- [Arjo Dedessa Dam Const. Project](#)
- [Hawusewa Abala Road Const. Project](#)
- [Jimma University Lab. and Workshop Bldg. Const. Project](#)

# Stakeholders

## Companies and Associations

Companies and Associations

## Civil Society Organizations

Civil Society Organizations

## Government

Government

## Donors

Donors

## CoST Counties

### **Ethiopia**

The NMSG Executive Committee of Ethiopia consists of ten members from Government, Construction industry and the Civil Society.

### **Malawi**

#### Malawi Disclosures

After a successful launch on 10th July, 2010, CoST Malawi has enjoyed increased interest from various sectors in society. The government for one has shown great interest and has given so much support for the initiative by spreading the message of CoST in various fora; the then Minister of Transport and Public Infrastructure Honourable Khumbo Kachali (MP) spoke at the Engineers dinner held at Mount Soche Hotel in Blantyre and he emphasized the importance of accountability and transparency in the construction industry and made special reference to the CoST initiative and how his ministry is proud to be associated with such a progressive initiative.

Development partners have also given CoST Malawi great support by the way they patronize functions organized by the MSG; the World Bank and Africa Development Bank have attended most of the MSG meetings, the official launch and the breakfast briefings on the findings of the studies. Dean of the Diplomatic Corp in Malawi, Her Excellency Madam Dumbutshena has given her full support to the initiative by attending major CoST functions.

There has been a good representation of the construction private sector and the civil society during MSG meetings and there is a clear indication from these groups that the initiative is greatly supported in their circles.

The Baseline and Assurance studies were completed on 17th September and following the completion, breakfast briefings on the findings of the two studies were held on 27th and 28th September. The briefing

on the 27th targeted government officials in ministries and departments, development partners, the construction private sector and procuring entities. Attendance was very good; the guest of honor was the World Bank representative to Malawi, Madam Sandra Bloemenkamp.

The briefing held on 28th targeted civil society organizations and the media. It was envisaged by the MSG that the two groups would be good ambassadors of spreading the message on CoST and advocating to policy makers in government to adopt the principles of CoST and continue supporting the initiative. The common observation from the civil society organizations was that the findings of CoST would give them leverage to push through the freedom of access to information bill while the media called for more guidance from experts in the construction industry in writing their articles to avoid reporting wrongly on construction issues.

Both the Baseline and Assurance consultants made PowerPoint presentations on the findings of the two studies detailing the methodology employed, challenges encountered and the actual findings. The Baseline findings indicated that disclosure of project information is only mandatory by law during the tendering phase but not at any subsequent phase of the project. The findings also revealed that there were time and cost overruns on most of the sampled projects. The Assurance findings showed that poor project management was the major contributing factor to poor workmanship, cost and time overruns. The two presentations raised great interest from the audiences and the procuring entities present whose projects had been studied were at liberty to respond to particular queries raised.

The second round of disclosures was conducted by CoST secretariat at the 7th Annual Engineers Conference that was held in Mangochi from 30th September to 1st October, 2010. This is a gathering of Engineers in the fields of Civil, Mechanical and Electrical Engineering that takes place yearly to discuss the successes and challenges in the Engineering industry in Malawi. The MSG viewed this as a good opportunity to engage the big players in the construction industry and provoke the policy makers into action. The presentation dwelt much on the findings of the Baseline study to give a clearer picture of the situation in the construction industry, the shortfalls identified and highlight the need for increased levels of disclosure.

## **Philippines**

### CoST Disclosure in the Philippines

The CoST "Promoting Transparency and Accountability" Disclosure Event on 8 October 2010 was a milestone for CoST Philippines.

The CoST Philippines MSG turned over to CoST Champion, Usec. Laura Pascua of the Department of Budget and Management the studies, reports and outputs of the CoST pilot so far. These included:

- The Baseline Study Report;
- PhilGeps Enhancement Plan which contains the PhilGeps Business Plan for sustainability;
- Market Research and Survey results;
- Cost MPI Integration in the PhilGeps;
- Assurance Team Engagement Report of the Commission on Audit;
- Soft launch of CoST MPI in the PhilGeps and the CoSTPhilis Website launch.

The turn over ceremony was supported by World Bank, Department of Budget and Management (DBM), Commission on Audit (COA), Department of Public Works and Highways (DPWH), Department of Transportation and Communications (DOTC), Light Rail Transit Administration (LRTA), Procurement Service

(PS), PhilGeps, Philippine Constructors Association (PCA), Transparency and Accountability Network (TAN/CSO), Bantay Lansangan, Consultants and Media.

It is the first event in a series of disclosure activities in the Philippines.

### CoST Philippines launch

CoST Philippines was officially launched on 27 January 2010 with great success. The new CoST Champion, Budget and Management Undersecretary Laura Pascua showed excellent commitment, coming early to welcome guests as they arrived, and giving a speech that called on all stakeholders to join and actively participate in CoST to ensure its success. A welcome address from Chrik Poortman, IAG Chair was given in absentia by Manolito Madrasto, a founding member of the MSG. There was excellent attendance across the stakeholder groups including:

- A number of consulting, constructors and supplier associations, together with representatives of the labor unions;
- Civil society organizations (CSOs);
- Most government infrastructure agencies, together with representatives of the Commission on Audit (COA), the Office of the Ombudsman, and the Presidential Anti-Graft and Corruption Commission;
- The World Bank (WB), Asian Development Bank (ADB), the Japan International Cooperation Agency (JICA), USAID, AusAid and the Canadian International Development Agency (CIDA).
- Major newspapers and business dailies. Interviews were held with the CoST Champion, the MSG and a number of the visitors. The television networks sent a joint team for a pooled report to be aired that night.

The launch comes after a year of CoST operation in the Philippines and reflects the commitment of the MSG during this time to tailor the CoST approach to the Philippines context before engaging with a broader range of stakeholders.

## Tanzania

CoST Tanzania is online

Go to the MSG's own website for CoST in Tanzania:

<http://costtanzania.ncc.or.tz>

### Tanzania Construction industry

Since 2000, Tanzania's real GDP has grown at an annual rate of about 6.3 percent, with the construction industry a major contributor to this growth. Construction contributes around TSh 740 billion (£300 million) or about 5.6% to the GDP of TSh13,000 billion or £5.2b. The Ministry of Infrastructure & Development is the main government body dealing with infrastructure together with the Prime Minister's Office for Regional and Local Government. Tanzania has a number of well-developed regulatory and business/professional institutions operating in the construction sector. The main body tasked with developing the sector is the National Construction Council (see <http://www.ncc.or.tz/>) with the purpose of promoting the development of the local construction industry.

The construction industry is a sector of the economy that transforms various resources into constructed physical economic and social infrastructure necessary for socio-economic development. It embraces the process by which the said physical infrastructure are planned, designed, procured, constructed or produced, altered, repaired, maintained, and demolished. Thus, the construction industry is a fundamental economic activity which permeates most of the sectors of the economy and it has a major role to play in achieving social economic development objectives of any country; yet is consistently ranked as one of the most corrupt areas of economic activity in a number of countries including Tanzania.

The Government has been concerned about the problem; as a result has been taking a number of initiatives geared towards preventing and combating corrupt practices; notable amongst which include: Enactment of the Prevention and Combating of Corruption Act 2007, strengthening the Prevention and Combating of Corruption Bureau (PCCB), and financial and public procurement reforms (Public Procurement Act, 2004 and the Public Finance Act 2001)

Furthermore, in 2003, the Government published the Construction Industry Policy. One of the objectives of the Construction Industry Policy is to ensure efficient and cost effective performance of the construction industry that will guarantee value for money on constructed facilities in line with best practices. Such an objective cannot be meaningfully achieved without combating corruption. Accordingly, it is the Government's resolve to; promote adherence to principles of corporate governance in the construction sector, and to promote measures for preventing corruption in the construction sector by measures that include enhancing efficiency, transparency and accountability in procurement, design and contract administration, and instituting mandatory technical auditing of all major public - financed projects where there shall be suspicion of malpractice.

The above Government policy commitments are largely in line with what is being advocated by the objectives of the Construction Sector Transparency Initiative (CoST) as it aims to enhance the transparency and accountability of publicly financed construction projects; with expectation that improved transparency will be supportive of better management of public finances and reduced corruption.

CoST in Tanzania in has been conceived as an unincorporated forum of members and shall exercise its functions through its Multi Sectorial Group (MSG), Secretariat and Administrative Host i.e. the National Construction Council (NCC). NCC is a government institution which is a focal point for sector coordination of all the institutions engaged in the construction industry activities for the purpose of ensuring consolidation, harmonization and competitive performance of the industry in Tanzania. The organization and operations of CoST shall be guided by the Rules of CoST. The CoST Champion is the Minister responsible for good governance. This structure is illustrated in the following diagram.

## Membership

Any entity or person who shares the Objectives and Principles of CoST may apply to become a Member of CoST. Generally, members may include national, regional, international organizations and entities, and local governments and/or their ministries, departments, agencies and institutions, non-governmental organizations, academic and research institutions, companies, service providers and practitioners in both the public and private sectors and individuals. These shall form the following three main stakeholder groups for CoST; that is, Civil Society - representing the beneficiaries of construction sector services, public Sector

- representing the clients and financiers of construction works and services, and private sector that provide most of the works and services.

#### Assurance Team

Members of the Assurance Team shall be appointed on a case by case basis and shall operate in accordance with terms of reference to be provided by the MSG. Each member of the Assurance Team shall have minimum education of a bachelor degree or equivalent, relevant experience of at least five years, and high professional integrity

#### Funding

CoST shall solicit funds through voluntary support, contributions and grants from governments, development funding agencies/development partners and from its members.

## **United Kingdom**

#### UK Pilot Disclosure

The UK has taken a lead by disclosing information from eight public sector construction projects. The information supplied by the four procuring entities was scrutinized by an independent Assurance Team appointed by the UK MSG. The Assurance Team produced reports and report card summaries on each of the eight projects highlighting any emerging issues. Please click on the links in the table below to access the information and reports:

#### Baseline Report

The UK has also published a baseline study which takes a snapshot of the current level of transparency in the UK construction sector.

#### UK CoST MSG

A Multi-Stakeholder Group has overseen and guided the pilot and consists of representatives from government, the private sector and civil society.

#### Support for CoST UK

In September 2010 the UK Consumer Federation declared its support for CoST.

#### UK Consultation Report

The purpose of the consultation was to inform stakeholders (clients, industry and civil society) in the UK about this international construction transparency initiative and to seek their views on the UK pilot with the aim of improving its objectives and design.

## **Vietnam**

CoST Vietnam is online!

The MSG in Vietnam has established its own excellent website. See [www.minhbachxaydung.org.vn](http://www.minhbachxaydung.org.vn)

## **Zambia**

### **Zambia AGM and Disclosure Event**

The AGM and disclosure event on 8 October 2010 was attended by approximately 30 people and included representatives from government, industry and civil society. The CoST Champion, Minister Mike Mulongoti arrived early and listened attentively to speeches by MSG Chairman Reuben Lifuka and George Ofori of the International Advisory Group before giving his own.

Detailed presentations by the consultants responsible for the Baseline study and Assurance reports followed and stimulated considerable discussion. Participants asked questions about the process that was used, the relationships with the procuring entities, how CoST fitted with other initiatives and the degree of support provided by Government. The overall tenor was very supportive of CoST.

The full texts of the baseline study and AT reports will be posted on the website of the National Construction Council shortly.

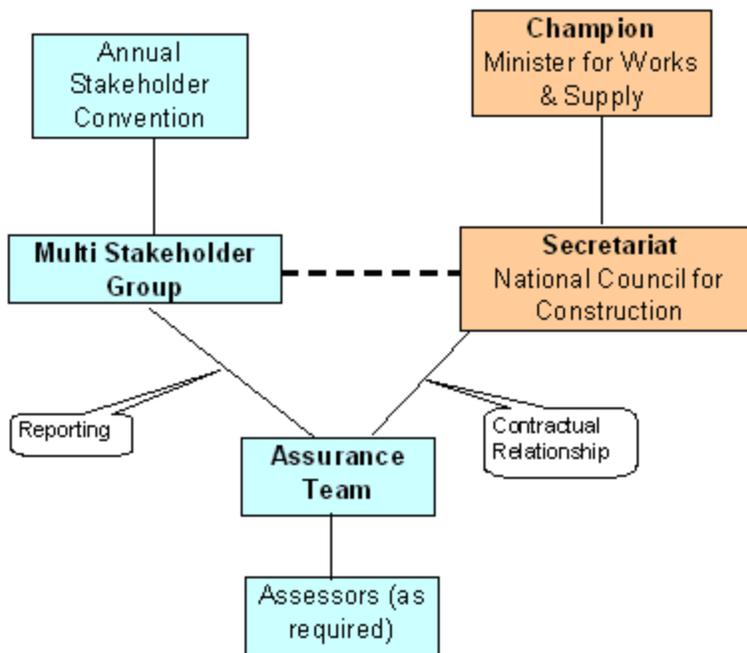
### **Zambia Construction Industry**

Zambia's GDP is around \$11 billion and construction industry activity contributes around 7.5% of that in real terms. The main body tasked with developing the sector is the National Council for Construction (see [www.ncc.org.zm](http://www.ncc.org.zm)) with the key objective of developing the local construction capacity in the country and seeks, among its other aims and objectives, to achieve the following:

- Unifying the Construction Industry
- Promoting the wellbeing of the Construction Industry
- Striving to create a profitable environment for constituents of the Construction Industry
- Establishing a united national platform encompassing formal and informal sectors of the Construction Industry and its professions.

### **CoST Zambia**

The purpose of CoST Zambia is to improve accountability and reduce corruption through increased transparency of construction contracts. Zambia has been at the forefront in establishing CoST in the country demonstrating its profound commitment to good governance and best practice in its construction industry. The Minister for Works and Supply, Hon. K Simabao MP, at the CoST international consultation meeting in London on 20th June demonstrated this by proposing that the country becomes a pilot for implementing CoST. This process has now started and CoST's first national Multi-Stakeholder Group (MSG) was formed in Lusaka on 5th October 2007. The structure of CoST Zambia is shown in the following diagram:



The Champion for CoST in Zambia is the Minister for Works & Supply. The Champion's role is to:

- Promote CoST at the highest level in Government
- Gain agreement from other Ministries for their participation in CoST
- When considered necessary, represent CoST Zambia at international forums
- Appoint members of the MSG considering the proceedings of the Annual Stakeholders Convention
- Oversee the activities of the CoST Secretariat to ensure the effective implementation of CoST.

An Annual Stakeholders Convention will be an open conference of all stakeholders in the country and reviews the annual report of MSG. This MSG will have the following objectives:

- Approve Country Work Plan on a rolling annual basis
- Agree the projects or groups of projects that should be included in the pilot phase
- Approve the project information template
- Approve the TOR for the Assurance Team
- Review and approve tender evaluation recommendations for consultants procured under CoST program
- Advise National Council for Construction on the administration of the contract for Assurance Team
- Direct the Assurance Team
- Publish the findings of the Assurance Team in a comprehensible form
- Consider recommendations by Assurance Team on whether specific contracts or procuring entities should be referred to the Press, National Audit Office or Anti-Corruption Commission
- Meet monthly until Assurance Team in place. After that meet on a quarterly basis
- Report on an annual basis to the CoST Annual Stakeholders Convention
- Advise the CoST "Champion", the Minister for Works and Supply upon request
- Liaise with CoST International Forum
- Monitor content of CoST website

The membership of the MSG currently includes:

- Mr. Rueben Lifuka - Transparency International Zambia / Chairperson
- Mr. Boster Chiyaba - Ministry of Works and Supply
- Mr. Henry Zulu - Office of the Auditor General
- Mr. Chimuka Nyanga - Association of Building and Civil Engineering Contractors
- Mr. Watson Ngandu - Zambia Institute of Architects
- Mrs. Glenda Mungalaba - Anti-Corruption Commission
- Mr. Henry Musonda, Zambia - Association of Consulting Engineers
- Mr. Thomas Lwenje - Zambia National Tender Board
- Mr. Saili Kanchela - Zambia Bureau of Standards
- Dr. Sylvester Mashamba - National Council for Construction
- Mr. Lupando Kalaluka - Law Association of Zambia
- Ms. Wendy Nambule - National Council for Construction / Secretary

The main objectives of the Assurance Team will be to:

- Assess the adequacy and reliability of project information disclosures and other transparency indicators
- Identify causes for concern in such disclosures
- Reporting findings to the MSG.

The MSG and Assurance Team will be supported by a Secretariat (the NCC) that will:

- Carry out the necessary preparations for the establishment of the CoST Pilot in Zambia
- Support the Minister of Works & Supply in regard to role as CoST Champion
- Assist the MSG in its activities
- Administer the contract of the Assurance Team and any other associated contracts



*CoST Zambia Workshop: Lusaka, 29th August 2007*

Left to Right: Ms. Wendy Nambule, Publicity Officer, National Council for Construction; Mr. Adam Andreski, Consultant, DFID; Dr. Francis Ndilila, Board Chairman, National Council for Construction; Hon. Kapembwa Simbao, Minister for Works and Supply; Mr. R. Lifuka, President of Transparency International Zambia

#### The National Council for Construction

The National Council for Construction (NCC) is a statutory corporate body set up by an Act of parliament to regulate and build capacity for the local Zambian construction industry. The NCC is governed by NCC Act No. 13 of 2003, which sets out the role, mandate and functions of the NCC. The NCC affiliates and represents all trade organizations and professional bodies within the Zambian Construction Industry.

# Relevant Materials

## Research and Publications

Research and Publications

## Communications

### [Report from CIVICUS event](#)

CIVICUS provided a brief report of the joint workshop on CoST and the Partnering Initiative of IBLF that was held at the CIVICUS Global Assembly in August 2010.

### [CoST Factsheet 2009](#)

The CoST factsheet provides downloadable information about why CoST is necessary, how it works, overall objectives and principles and the benefits it offers.

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### [CoST key messages](#)

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### [Factsheet for potential CoST countries](#)

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## CoST Bulletin

### [CoST bulletin January 2009](#)

Read January 2009's edition of the CoST bulletin here.

### [CoST bulletin - November 2008](#)

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## Secretariat Documents

Secretariat Documents

## Relevant Links

CoST stakeholders may benefit from the following external resources:

1. CoST is based on principles similar to the [Extractive Industry Transparency Initiative \(EITI\)](#) and the [Medicines Transparency Alliance \(MeTA\)](#). The three initiatives have strong operational connections at the global and national levels and have benefitted from regular lessons sharing and learning.
2. CoST has been a regular participant in and supporter of the [International Anti- Corruption Conference \(IACC\)](#): The most recent, [14th IACC](#) took place in Bangkok and featured a CoST workshop and numerous related events and speeches
3. Budget monitoring support by the [International Budget Partnership](#). It collaborates with civil society organizations in developing countries to analyze, monitor, and influence government budget processes, institutions, and outcomes. The training is supported by practical materials in a number of languages.
4. [The Partnership for Transparency Fund](#) is an international non-governmental organization dedicated to helping civil society play an effective role in the design, implementation and monitoring of national anti-corruption programs.
5. [Idealist.org](#) provides information for nonprofit organizations including documents on starting and managing an organization, fundraising, marketing, and using the web.
6. [Nonprofit Managers' Library](#) is an online library providing a variety of free, 'how-to' management resources.
7. [UN-HABITAT's Training and Capacity Building Branch \(TCBB\)](#) assists local authorities and civil society organizations to build core skills in competencies in diverse areas including leadership, financial management, local economic development, participatory planning and conflict management.
8. Lessons can be learned from initiatives such as the [EITI](#) and [Publish What You Pay](#) where sub-groups have been established to address particular issues and create consensus for greater civil society voice and action.
9. [NGO/Civil Society web page](#) — Part of the World Bank web site, the purpose of this site is to keep NGOs and civil society groups informed about opportunities for interaction with the Bank. The site also lists links which assist NGOs in networking and communications.
10. [Benton's Best Practices Tool Kit](#) — This is a searchable directory of tools to help nonprofits effectively use new information technology.

## Video Gallery

## Research and Publications

Research and Publications

## Communications

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**[youtube url='https://www.youtube.com/watch?v=ha1nT2lmVNw' width='300' height='300']**

[youtube url="https://www.youtube.com/watch?v=Qim7lQZ03CM" width="150" height="300"]

[youtube url="https://www.youtube.com/watch?v=Bno1T3-lvMM" width="150" height="300"]

# New and Updates

## News and Updates

News and Updates

# Minutes of Meetings

## Minutes of Meetings

Minutes of Meetings

# Contact Us

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